BOARD OF GOVERNORS, URANIUM CITY HOSPITAL

FINANCIAL STATEMENTS

For the Year Ended March 31, 2001

SASKATCHEWAN

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

Phone: (306) 787-6398
Fax: (306) 787-6383
Internet e-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Board of Governors, Uranium City Hospital as at March 31, 2001 and the statements of operations and changes in fund balances, and cash flow for the year then ended. The Hospital's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board of Governors, Uranium City Hospital as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 22, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
STATEMENT OF FINANCIAL POSITION
As at March 31

	Operating Fund	Capital Fund	Total 2001	Total 2000
ASSETS				
Current Assets				
Cash	$ 335,458	$ -	$ 335,458	$ 41,556
Accounts Receivable				
Saskatchewan Health - General Revenue Fund	-	20,000	20,000	-
Patient Services and Recoveries	58,420	-	58,420	33,678
Inventory (Note 3 and Note 12)	73,539	-	73,539	62,498
Prepaid Expenses	19,631	-	19,631	20,890
	487,048	20,000	507,048	158,622
Capital Assets (Note 4)	-	45,815	45,815	54,660
	$ 487,048	$ 65,815	$ 552,863	$ 213,282
LIABILITIES				
Current Liabilities				
Bank Overdraft	$ -	$ -	$ -	$ 18,592
Advance Payable (Note 5)	85,000	-	85,000	85,000
Accounts Payable	83,516	-	83,516	98,357
Accrued Salaries and Vacation Pay	68,144	-	68,144	38,100
	236,660	-	236,660	240,049
EQUITY				
Fund Balances				
Investment in Capital Assets	-	45,815	45,815	54,660
Externally Restricted (Note 2 (a)(ii))	-	20,000	20,000	-
Unrestricted	250,388	-	250,388	(81,427)
Fund Balances: Statement 2 (Note 12)	250,388	65,815	316,203	(26,767)
	$ 487,048	$ 65,815	$ 552,863	$ 213,282

(see accompanying notes to the financial statements)

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For the Year Ended March 31

	2001				2000
	Operating Fund Budget (Note 10)	Operating Fund	Capital Fund	Total	Total
Revenues:					
Saskatchewan Health - General Revenue Fund	$ 1,470,552	$ 1,649,142	$ 20,000	$ 1,669,142	$ 1,654,371
Income and recoveries	39,908	37,483	-	37,483	30,759
Interest income	-	13,001	-	13,001	590
Ancillary operations	26,100	25,600	-	25,600	24,201
	1,536,560	1,725,226	20,000	1,745,226	1,709,921
Expenses:					
Administration	248,584	217,826	8,845	226,671	285,332
Housekeeping and laundry	58,809	55,731	-	55,731	59,769
Maintenance	178,383	207,034	-	207,034	187,761
Medical records	22,482	59,191	-	59,191	62,393
Dietary	107,041	86,756	-	86,756	103,589
Acute care (Note 8)	560,864	543,452	-	543,452	674,122
Laboratory and x-ray	123,086	142,040	-	142,040	115,871
Ancillary operations	64,444	81,381	-	81,381	80,098
Athabasca Health Facility (Note 9)	-	-	-	-	36,698
	1,363,693	1,393,411	8,845	1,402,256	1,605,633
Excess of revenues over expenses	$ 172,867	331,815	11,155	342,970	104,288
Fund balances, beginning of year		(81,427)	54,660	(26,767)	(148,755)
Prior period adjustment (Note 12)		-	-	-	17,700
Fund balances, end of year		$ 250,388	$ 65,815	$ 316,203	$ (26,767)

(see accompanying notes to the financial statements)

Statement 3

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	Operating Fund		Capital Fund	
	2001	2000	2001	2000
Cash provided by (used in):				
Operating Activities				
Excess (deficiency) of revenue over expenses	$ 331,815	$ 113,133	$ 11,155	$ (8,845)
Prior period adjustment (Note12)	-	17,700	-	-
Non-cash expense - amortization of capital assets	-	-	8,845	8,845
Net change in non-cash working capital (Note 14)	(19,321)	(9,977)	(20,000)	-
	312,494	120,856	-	-
Financing and Investing Activities				
Purchase of capital assets	-	-	-	(16,597)
Net increase (decrease) in cash	312,494	120,856	-	(16,597)
Interfund transfers	-	(16,597)	-	16,597
Cash, beginning of year	22,964	(81,295)	-	-
Cash, end of year	$ 335,458	$ 22,964	$ -	$ -
Cash is comprised of:				
Cash	335,458	41,556	-	-
Bank Overdraft	-	(18,592)	-	-
	$ 335,458	$ 22,964	$ -	$ -

(see accompanying notes to the financial statements)

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority

The Board of Governors, Uranium City Hospital was established June 15, 1995 by Order in Council #508/95 under *The Public Health Act* to operate the Uranium City Hospital.

The Minster of Municipal Government held the net assets and operated the Hospital on behalf of the Northern Settlement of Uranium City prior to establishment of the Board. By Order dated April 25, 1996, under Section 120 (1) of *The Northern Municipalities Act*, the Minister transferred the net assets to the Board effective June 5, 1995 for no monetary consideration.

As of August 8, 1999 inpatient services at the Uranium City Hospital were suspended due to staff shortages. During 2000 inpatient services were resumed on a limited basis.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. Significant accounting policies are summarized as follows:

a) Fund Accounting

The accounts of the Board are maintained in accordance with the principles of restricted fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

i Operating fund

The operating fund reflects the primary operations of the Board including revenues received for provision of health services from Saskatchewan Health - General Revenue Fund, and billings to patients, clients, and other agencies for patient and client services. Other revenue consists of recoveries and ancillary operations. Expenses are for the delivery of health services.

ii Capital Fund

The capital fund is a restricted fund that reflects the equity of the Board in capital assets. The capital fund includes revenues received from Saskatchewan Health - General Revenue Fund designated for the acquisition of capital assets. Expenses consist of amortization of capital assets.

b) Inventories

Inventory consists of medical and surgical supplies, pharmacy, fuel oil and other general supplies.

Inventories are valued at the lower of cost and net realizable value, with cost determined by the first-in first-out (FIFO) method.

c) Capital Assets

Capital assets are recorded at cost. Cost is amortized over the useful life of the assets.

Amortization has been taken on the straight-line basis at the rate of 10% - 20% on equipment. The building is amortized on a straight line basis over its useful life.

d) Revenue

Contributions, including operating and capital funding from Saskatchewan Health - General Revenue Fund, are included in revenue in the year in which they are received or receivable.

e) Pensions

The Board expenses all contributions it is required to make to the multi-employer defined benefit pension plan in the year. The Board follows defined contribution plan accounting for its participation in the plan.

3. Inventory

	2001	2000
Pharmacy	$ 26,745	$ 25,334
Fuel Oil	19,820	17,700
General Supplies	14,658	11,855
Medical and Surgical Supplies	12,316	7,609
	$ 73,539	$ 62,498

4. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
Land	$ 4,295	$ -	$ 4,295	$ 4,295
Building	1,444,979	1,444,979	-	-
Equipment	480,387	438,867	41,520	50,365
	$ 1,929,661	$ 1,883,846	$ 45,815	$ 54,660

5. Advance Payable

The advances received from Saskatchewan Health - General Revenue Fund are interest free and repayable at the discretion of Saskatchewan Health. Saskatchewan Health requested the Hospital to pay this amount to the Athabasca Health Authority (AHA). The $85,000 was paid to AHA in September 2001. Therefore, the fair value of the advance approximates its carrying value.

6. Related Party Transactions

Included in these financial statements are transactions with related parties. These related parties include various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Board by virtue of common control by the Government of Saskatchewan and non-crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan.

Routine operating transactions with related parties are settled at standard rates charged by the organizations under normal trade terms. These transactions and amounts outstanding at year-end are included in the financial statements and the table below:

	2001	2000
Accounts Receivable	$ 30,076	$ -
Prepaid expenses	-	6,068
Accounts payable and accrued liabilities	43,360	50,068
Expenses	61,133	70,754

In addition, the Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

7. Pensions

Employees of the Board participate in the retirement plan of the Saskatchewan Association of Health Organizations (a related party) which is a multi-employer defined benefit pension plan. The Board's financial obligation to the plan is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $10,370 (2000 - $17,948).

8. Acute Care

Acute care expenses includes nursing and support services. However, they do not include salaries paid to doctors. Doctors are paid by Saskatchewan Health - Northern Medical Services and the expense is not reflected in these financial statements.

9. Athabasca Health Facility Project

The Board entered into an agreement with Saskatchewan Health on March 31, 1997. The agreement calls for Saskatchewan Health to provide funding to the Board for the purpose of administering the following agreements pertaining to the Athabasca Health Facility Project:

1. the Project Management Agreement between the Board and Cascade and Associates; and

2. the client/architect Agreement CCDC-6 between the Board and MANASC Architects Ltd.

During the prior year, the project was completed and the Board of the Uranium City Hospital extinguished its responsibility for it. The AHA facility is now the responsibility of Saskatchewan Health. The unspent funds totaling $41,556 have been set up as a payable to the Board of the Athabasca Health Authority.

10. Budget

The operating budget was approved by the Board.

11. Financial Instruments

a) Significant Terms and Conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows. Significant terms and conditions for the other financial instruments are disclosed separately in these financial statements.

b) **Credit Risk**

The Board is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the Board's receivables are with many customers, therefore credit risk is minimal.

c) **Fair Value**

The carrying amount of these financial instruments approximates fair value due to their immediate or short-term nature.

cash
accounts receivable
advance payable
accounts payable
accrued salaries and vacation pay

12. Prior Period Adjustment

The adjustment to the prior year figures consists of fuel oil inventories not previously recognized as an asset. Instead this amount was included in maintenance expense. This amount should have been set up as an asset. Therefore in the current period, the prior year has been adjusted. The net effect of the adjustment is to increase inventories by $17,700 and to increase the fund balances at the beginning of the prior year. The financial statements of prior periods have been restated to reflect this change.

13. Comparative Figures

Certain of the 2000 comparative figures have been reclassified to conform with the current year's presentation.

14. Net Change in Non-Cash Working Capital

	Operating Fund		Capital Fund	
	2001	2000	2001	2000
(Increase) decrease in accounts receivable	$ (24,742)	$ 37,547	$ (20,000)	$ -
(Increase) decrease in inventories	(11,041)	7,468	-	-
Decrease (increase) in prepaid expenses	1,259	(13,006)	-	-
Increase (decrease) in accounts payable	15,203	(41,986)	-	-
	$ (19,321)	$ (9,977)	$ (20,000)	$ -

Schedule 1

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
SCHEDULE OF EXPENSES BY OBJECT
For the year ended March 31

	2001	2000
Salaries and other benefits	$ 770,619	$ 901,745
Medical, surgical, drugs and other patient supplies	63,078	91,713
Utilities	130,170	121,947
Repairs and maintenance	27,230	10,296
Dietetic/ food supplies	13,180	23,919
Amortization expense	8,845	8,845
Staff education and travel	107,298	107,309
Other		
- Board expenses	44,751	60,054
- Administrative	155,580	160,547
- Laundry and linen	145	3,109
- Housekeeping	2,326	367
- Ancillary operations	79,034	79,084
Athabasca Health Facility Project	-	36,698
	$ 1,402,256	$ 1,605,633